

# GUIDANCE FOR DEVELOPING THE NEIGHBORHOOD NETWORKS BUSINESS PLAN

In collaboration with HUD Multifamily Property Owners, Residents, On-Line Service Coordinators, and Local Community Partners, the U.S Department of Housing and Urban Development (HUD) is pleased to present the attached sample Neighborhood Networks (NN) Business Plan format.

As of February 1, 1998, this sample plan format of a business plan may be used in the development of Neighborhood Networks Computer Learning Centers. For your convenience, you may directly input information for your plan using this Microsoft Word 7.0 version or it can be downloaded from the Neighborhood Networks National web site. All completed NN Business Plans should be submitted to your local HUD Neighborhood Networks Coordinator. For your reference a list of all local Neighborhood Network Coordinators may be found on the National Neighborhood Networks web site at <http://www.hud.gov/nnw/nnwindex.html>

A good business plan is one of the best ways owners and developers of Neighborhood Networks Computer Learning Centers can ensure success. It is more than just a marketing tool; it fleshes out the mission and structure of the center. This plan is the first step in identifying the purpose, goals and objectives of the center. It is a tool that allows Neighborhood Network planners to THINK through their ideas, solidify their intentions and objectives, and work efficiently with a plan towards specific goals. Fewer errors are made because actions will be based upon research and analysis.

There is no single best format for a business plan. This one incorporates items and concepts from the U.S. Small Business Administration's (SBA) Business Plan, which has been used successfully by thousands of small businesses. This also incorporates comments received on the Draft Neighborhood Networks Monitoring Notice proposed under the July and August 1997 "What's New" section of the Neighborhood Networks National web site (address above).

## **KEY POINTS WHEN DEVELOPING THIS PLAN:**

Through experience, HUD has found that every Neighborhood Networks Computer Learning Center is different since they are locally created by people according to their needs and interests. As such, it is very difficult to compare one to another.

The objective of any Neighborhood Network Business Plan is to provide a "first step" that is consistent for those who are developing the computer learning centers. It also provides a framework and means for evaluating results, best practices, and successful operations.

Individual center planners may find that this format needs to be modified to suit the needs of the center, property, and residents. This plan serves as only the minimum information needed. There may be instances where more information is necessary. Some good rules of thumb to follow when preparing the plans are:

- 1) **Plan from the start to be self sufficient!** Many centers, from the beginning, request minimal resources or assistance from HUD. If this is the situation, you may modify the Neighborhood Networks Business/Evaluation Plan to suit the needs of the owner, property, residents, and center. However, HUD strongly encourages all centers to have a plan in place to ensure success for all involved. The plan is a road map to follow with goals and action steps to guide decision making. It also provides a way to communicate the center's operations, goals, and philosophy to personnel, residents, community partners, foundations, and other financial and business contacts.

It is essential that all Neighborhood Networks Centers become self sustaining. The goal should be to progress from substantial reliance on federal grants and funding in aid to self sustaining status within three years. HUD strongly encourages all centers to incorporate this goal into their NN Business Plan.

- 2) **Budget for financial sustainability:** If the center is requesting more than \$25,000 or \$350 per unit per year, whichever is greater, from HUD (either through a rent increase, release of reserves, unit off-line, or other funds), a detailed budget including how the money will be spent and how the property will maintain activities/equipment once the funding ends is required.

- 3) **Are the residents involved in the planning, implementation, and maintenance of the computer learning center?** Resident involvement and “ownership” of the process is a necessity and is key to the center’s success. They are ultimately the customer. All plans should include a section describing resident involvement either as designers or operators as well as customers.
- 4) **Evaluate the successes!** All plans should include how the center will record their results and successes. This could mean picking a “baseline” figure or some aspects of the center that can be measured. Recording “Success Stories” are also encouraged. This evaluation will be very useful in attracting other potential funding resources and partners.

Attached to this NN Business Plan, we have provided a list of potential focus areas and an Assessment/Evaluation report format. It is not necessary to use all the measures and a center may have additional benchmarks to include in its evaluation. The evaluation report should be completed on an annual basis, in conjunction with the project’s fiscal year and/or annual financial statement submission.

Where significant federal funds are involved (see Budget information above), a methodology to measure results and successes is required by the Government Performance and Results Act of 1993. At the minimum, those properties seeking property/HUD funding should provide all the information contained in this assessment and evaluation report format attached.

- 5) **Access to the Internet:** HUD encourages all NN Computer Learning Centers to have at least one computer with Internet capability. The Internet can be used as a tool to connect with services, information, and people as well as the opportunity for the “world” to connect with the center. It can also be used to market the successes of your program. Monthly charges for an internet account for the center (normally \$19.95/month per account) are an approvable project expense.
- 6) **Continue to build local partnerships.** Local partners are a necessity in sustaining the NN Computer Learning Center. It is important to include in the plan ways for the center and property to continue to build local partners.
- 7) **Remain sensitive to possible federal/national partnerships.** There are numerous benefits in combining efforts with other programs both on the local and national levels. Collective efforts will gain increasing national recognition and thereby help in obtaining self-sufficiency. It is important to include in the plan ways for the center and the property to continue to build federal/national partnerships.

## Our Neighborhood Networks (NN) Business Plan

Property Name: \_\_\_\_\_

FHA Number (If Insured): \_\_\_\_\_

Section 8 Contract Number(s) (If Subsidized)  
and Expiration Date: \_\_\_\_\_

Property Address: \_\_\_\_\_

Owner (Name and Address): \_\_\_\_\_

Management Agent (Name and  
Address): \_\_\_\_\_

Contact Name/Role: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email: \_\_\_\_\_

Fax Number: \_\_\_\_\_

### DESCRIPTION OF COMPUTER LEARNING CENTER

- I. General Computer Learning Center Description: Description of the computer learning center's purpose and its intended customers/clients.

Mission:

Intended Clients:

- II. Please identify other properties involved in this proposal, if any.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Fax: \_\_\_\_\_

- III. Focus of Computer Learning Center (Please check all that apply)

\_\_\_\_\_ Job Skills Training/Employment  
\_\_\_\_\_ Introduction to/Familiarization with Computers  
\_\_\_\_\_ Internet Access and Access to Local Services  
\_\_\_\_\_ Health Care  
\_\_\_\_\_ Basic Adult Education, Literacy, ESL, GED  
\_\_\_\_\_ Economic Development (microenterprises, small businesses, telecommuting)  
\_\_\_\_\_ Youth Education  
\_\_\_\_\_ Senior Services  
\_\_\_\_\_ Continuing Education  
\_\_\_\_\_ Recreation  
\_\_\_\_\_ Other

- IV. Projects work best when everyone benefits (Win-Win). It is helpful to think in terms of benefits for all players.  
Please indicate how your center will result in:

**Benefits to the Owner** (i.e lower maintenance costs, less vandalism, lower vacancy rate)

**Benefits to the Residents** (i.e. employability, access to information & services, fellowship, sense of community)

**Benefits to the Local Community and Employers** (i.e safer neighborhoods, positive environment, skilled employees, large market share access/potential customers)

**PROPERTY DATA AND DEMOGRAPHICS**

Section of the Act (under which property is Insured or Funded):

Total Number of Units	Number of Section 8 Units	Percentage of Total Units Sec. 8

Total Number of Residents: \_\_\_\_\_

Resident Overview:

Number of Adults 21 - 61 years old: \_\_\_\_\_

Number of Adults 62 and older: \_\_\_\_\_

Number of Children 0 - 6 years old: \_\_\_\_\_

Number of Children 7 - 13 years old: \_\_\_\_\_

Number of Children 14 - 17 years old: \_\_\_\_\_

Number of Young Adults 18 - 20 years old: \_\_\_\_\_

Please provide the following information on the residents of the property. The % refers to the % of the total number of residents, unless otherwise specified.

Ethnic Groups %:

ESL (English as Second Language) Needs? \_\_\_\_\_ Yes \_\_\_\_\_ No

Single Parent Household %: \_\_\_\_\_ Female \_\_\_\_\_ Male

Disabled Residents %

\_\_\_\_\_ Physical \_\_\_\_\_ Learning \_\_\_\_\_ Other

Public Assistance Recipients % \_\_\_\_\_

**OBJECTIVES:** (Please check and insert appropriate number to all objectives that apply. **THIS LIST IS NEITHER TOTALLY MANDATORY NOR TOTALLY INCLUSIVE** )

\_\_\_\_\_ Providing \_\_\_\_\_ residents with access to technology and the Internet per year.

\_\_\_\_\_ Providing an opportunity for \_\_\_\_\_ residents to be involved in the Planning, Implementation, and Daily Maintenance of the Center on a yearly basis.

\_\_\_\_\_ Reducing Welfare Dependency by enabling at least \_\_\_\_\_ of the adult residents on welfare to participate in the program to get off welfare into decently paying jobs within \_\_\_\_\_ years, by \_\_\_\_\_ (date). This is in conjunction with other/similar Welfare to Work Programs.

\_\_\_\_\_ Expanding Community Based Job Training to at least \_\_\_\_\_ of the adult residents who participate in the program each year.

\_\_\_\_\_ Provide opportunities to telecommute for \_\_\_\_\_ residents each year.

\_\_\_\_\_ Encourage small business ventures using the computer learning center for \_\_\_\_\_ new and \_\_\_\_\_ established small businesses. Indicate whether your center is a business or whether your center is a resource for resident-owned business(es).

\_\_\_\_\_ Teaching Basic Skills and Increasing Adult Education Level, including Literacy, ESL, GED courses, by making educational programs available to \_\_\_\_\_ adult residents who participate in the program each year.

\_\_\_\_\_ Improving Academic Achievement of School Aged Children by attempting to raise and maintain the educational level on standardized test of \_\_\_\_\_ children who participate in the program, to the appropriate grade level each year.

\_\_\_\_\_ Building Partnerships in the Local Community by creating useful ongoing linkages with at least \_\_\_\_\_

other community groups each year.

**OBJECTIVES (Continued):**

- \_\_\_\_\_ Improving Health Care Accessibility and Partnerships by creating useful ongoing linkages with at least \_\_\_\_\_ other health care providers a year and by making the programs of local health care providers available to \_\_\_\_\_ residents who participate in the center each year.
- \_\_\_\_\_ Improving Social Service Accessibility and Partnerships by creating useful ongoing linkages with at least \_\_\_\_\_ other social service providers a year and by making the programs of local social service providers available to \_\_\_\_\_ residents who participate in the center each year.
- \_\_\_\_\_ Creating a self sustaining computer learning center by the \_\_\_\_\_ year of operation.
- \_\_\_\_\_ Other Objectives: (Please specify below):

**TIME LINE FOR PROPOSED CENTER:** Please indicate proposed beginning and end dates for the following items that apply to your center. Further details are requested below the timeline.

	START DATE	COMPLETION DATE
Retrofitting or Construction of Facility		
Equipment (Hardware, software, etc.) Procurement and Testing		
Staffing of Center (trained and on board)		
Grand Opening of Center		
Third Party/Voluntary Organizations Participation and Funding for initial set-up and ongoing programs/costs.		
Training Program and Classes Beginning		
Other Milestones: (Please list in this box) * * * * * * *		

Retrofitting or Construction of Facility (Including Space Accessibility/Security/Monitoring)

(Please include what will be done and a sketch of the facility. Note here is any retrofitting services or costs will be donated and by whom.)

Equipment (hardware, software, etc.) Procurement/Testing

(Please indicate how many computers, what type of computers and software will be included based on resident surveys, and other equipment that will be used in the center such as printers, etc.)

Computers:

Printers:

Scanners & Other Equipment:

**DETAIL ON TIMELINE ACTIVITIES (Continued)**

Staffing of Center/Training Program and Classes Offered (Weekly Schedule for the Center)

(Please indicate how the computer learning center will be staffed . Include hours per week and anticipated staffing period i.e 1 year, 6 months, 2 years, etc.)

Staffing:

On Line Service Coordinator (full time or part time)

Paid Staff:

Resident or Other Volunteers:

Outside Agencies Providing Instructions:

Weekly Schedule for the Center (including days/hours open, classes, and open lab/free time on the computers.  
(See attached Sample)

Classes/Training Programs to be Offered:

Partnerships: Third Party/Voluntary Organization Funding and Participation

(Please list those partners involved in the initial set-up and what they brought to the center. Also indicate targeted partners or other partners that will be assisting in the daily operation of the center.)

**INITIAL SET-UP AND FIRST YEAR OF OPERATIONS**  
**FINANCIAL PLAN/ BUDGET: SOURCES AND USES OF FUNDS**

Timeperiod: From \_\_\_\_\_ to \_\_\_\_\_

<b>SOURCES →</b>  <b>USES</b>	<b>Private Donations</b>	<b>Grants</b> (Please note grant sources below)	<b>Earned Income from Center (ie. Use fees and rents)</b>	<b>In-kind Donations/ Services</b>	<b>Property/HUD Funds:</b> Please specify if Unit Off-Line, Residual Receipts or Budgeted Rent Increase (\$pupm)	<b>Other</b> (Please Identify)	<b>TOTALS</b>
<b>Computer Hardware</b> (Please List):  <b>Other Equipment</b>	\$	\$	\$	\$	\$	\$	\$
<b>Computer Software</b> (All programs will be site-licensed and run through the server.)	\$	\$	\$	\$	\$	\$	\$
<b>Staffing</b>	\$	\$	\$	\$	\$	\$	\$
<b>Maintenance, Insurance, Miscellaneous</b>	\$	\$	\$	\$	\$	\$	\$
<b>Retrofitting/ Security</b>	\$	\$	\$	\$	\$	\$	\$
<b>Other</b>	\$	\$	\$	\$	\$	\$	\$
<b>TOTALS</b>	\$	\$	\$	\$	\$	\$	<b>GRAND TOTAL FOR INITIAL SET-UP</b>  \$

Grant Sources and Donations Listed Below (if any)

**YEAR 2 OF OPERATIONS**  
**FINANCIAL PLAN/ BUDGET: SOURCES AND USES OF FUNDS**

Timeperiod: From \_\_\_\_\_ to \_\_\_\_\_

<b>SOURCES →</b>  <b>USES</b>	<b>Private Donations</b>	<b>Grants</b> (Please note grant sources below)	<b>Earned Income from Center (ie. Use fees and rents)</b>	<b>In-kind Donations/ Services</b>	<b>Property/HUD Funds:</b> Please specify if Unit Off-Line, Residual Receipts or Budgeted Rent Increase (\$pupm)	<b>Other</b> (Please Identify)	<b>TOTALS</b>
<b>Computer Hardware</b> (Please List):  <b>Other Equipment</b>	\$	\$	\$	\$	\$	\$	\$
<b>Computer Software</b> (All programs will be site-licensed and run through the server.)	\$	\$	\$	\$	\$	\$	\$
<b>Staffing</b>	\$	\$	\$	\$	\$	\$	\$
<b>Maintenance, Insurance, Miscellaneous</b>	\$	\$	\$	\$	\$	\$	\$
<b>Retrofitting/ Security</b>	\$	\$	\$	\$	\$	\$	\$
<b>Other</b>	\$	\$	\$	\$	\$	\$	\$
<b>TOTALS</b>	\$	\$	\$	\$	\$	\$	<b>GRAND TOTAL FOR INITIAL SET-UP</b>  \$

Grant Sources and Donations Listed Below (if any)



**YEAR 3 OF OPERATIONS**  
**FINANCIAL PLAN/ BUDGET: SOURCES AND USES OF FUNDS**

Timeperiod: From \_\_\_\_\_ to \_\_\_\_\_

<b>SOURCES →</b>  <b>USES</b>	<b>Private Donations</b>	<b>Grants</b> (Please note grant sources below)	<b>Earned Income from Center (ie. Use fees and rents)</b>	<b>In-kind Donations/ Services</b>	<b>Property/HUD Funds:</b> Please specify if Unit Off-Line, Residual Receipts or Budgeted Rent Increase (\$pupm)	<b>Other</b> (Please Identify)	<b>TOTALS</b>
<b>Computer Hardware</b> (Please List):  <b>Other Equipment</b>	\$	\$	\$	\$	\$	\$	\$
<b>Computer Software</b> (All programs will be site-licensed and run through the server.)	\$	\$	\$	\$	\$	\$	\$
<b>Staffing</b>	\$	\$	\$	\$	\$	\$	\$
<b>Maintenance, Insurance, Miscellaneous</b>	\$	\$	\$	\$	\$	\$	\$
<b>Retrofitting/ Security</b>	\$	\$	\$	\$	\$	\$	\$
<b>Other</b>	\$	\$	\$	\$	\$	\$	\$
<b>TOTALS</b>	\$	\$	\$	\$	\$	\$	<b>GRAND TOTAL FOR INITIAL SET-UP</b>  \$

Grant Sources and Donations Listed Below (if any)